

ONE OF INDUSTRY'S HIGHEST-PROFILE CASUALTIES OF COVID-19 was aviation. Closed borders and travel restrictions grounded fleets and turned airports into ghost towns for months.

In 2020, the height of the pandemic, industry revenues totaled \$328 billion, 40% below the previous year and, in nominal terms, the same level as 20 years earlier.

Today, though, the aviation industry is rebounding at an exponential rate as restrictions increasingly disappear and the virus moves from pandemic to endemic.

Indeed, a March IATA survey of the world's top 50 air travel markets—almost 90% of international demand before the pandemic—showed more than three-quarter of markets were open to vaccinated travelers with no quarantine requirements.

An interview
with **PAUL
GRIFFITHS**,
CEO of Dubai
International,
the world's
largest airport.
By **SIMON
PLUCKROSE**.

The resurgence is evident nowhere more than at the world's busiest airport by international passenger numbers, Dubai International (DXB), which last year witnessed 29.1 million in annual traffic. That may be significantly below the 86.4 million passengers in 2019, however the airport is expecting the number to at least double this year as it returns to pre-pandemic levels.

It is welcome news for Dubai Airports CEO Paul Griffiths. The pandemic forced him and his team to face formidable challenges and tough decisions, including redundancies and changes to management structure. Many of those challenges, from personnel to processes and technology, have created fundamental changes in how the airport is run, not just over the past two years but for the future as well.

Simon Pluckrose spoke to Griffiths in early 2022, who has been CEO of Dubai Airports since 2007,



The FUTURE of TRAVEL

about the impact of the pandemic, his predictions for the future of the aviation industry and how DXB plans to move from an infrastructure-based business to a hospitality provider offering a taste of Arabian hospitality.

We all experienced the impact of the pandemic as grounded travelers. What was it like for you and your team at Dubai Airports?

We went from the first quarter of 2020 having an average throughput every month of over seven million passengers to suddenly having none. And, of course, our infrastructure still had to be operated and paid for.

You can't stop the clock immediately on things you have geared up for. We had staff and all the utilities to pay. Everything was still available as if we were still recording the same throughput.

A view of Concourse B at Dubai International, the world's largest airport.



The entire throughput in May 2020 was equivalent to the throughput in four hours in May 2019. It was a total obliteration of passenger revenue and we still had the full cost structure to service so we had to do some incredibly adept things very, very quickly. We had to renegotiate a huge number of supplier contracts based around significantly lower volumes, and we had to make some very painful decisions about staff numbers.

How did you tackle the immediate challenges of the pandemic?

We made some fairly dramatic and quite sweeping changes to drastically reduce cost structure without degrading the capability of the organization.

By coincidence we had already decided to change the business model of a lot of the aspects of our volume operation, such as heavy maintenance, cleaning and front-line customer service, to go into a variety of service-based performance outcome contracts so that we had a different style of operating.

We picked our suppliers, formed partnerships and asked them to continue to recruit, train and be ready for the recovery but to do that on a scalable basis so that if we needed to ramp up quickly we could.

And we used the downtime to do the transition from an employment-based model to an outsource performance-based model. That has been incredibly advantageous because we were able to scale down our costs very quickly then profile the recovery around traffic recovery, which has started and stalled several times over the past few years.

Of course, we didn't know how long this was going to last so it was a fundamental decision to reengineer the business permanently. We are now reaping the benefits of that because as traffic has recovered, we've kept our expenses low and our revenue has started to grow, so we are seeing the fruits of the strategy emerge.

Did the challenges of the pandemic increase the speed of change?

The way we have changed our business processes has really been led by the pandemic because there was definitely a drive to eliminate all forms of bureaucracy from the passenger process. One of the things we were trying to do pre-pandemic was adopt digital forms of travel passports, immigration forms, vaccination certificates, et cetera.

The pandemic accelerated that beyond all measure. Of course, the speed at which it has been adopted means that the global standards aren't quite aligned but we're getting there.

I think the idea of having a digital token, on your phone or watch, that represents your ability to travel, your vaccination status, your immigration, permissions, et cetera, which can be interrogated at every station of the journey will mean that, as you travel from your home to a destination on the other side of the world, you won't have to show a single piece of paper because it will all be seamless. We are very close to that now and the pandemic has driven that change.

I've always said there are only two places in the world that you queue—the airport and the post office. And I want to hand the monopoly on queuing back to the post office.

Does the airport experience have an effect on a traveler's decision-making process?

It can, both positively and negatively. We want to make the airport not an infrastructure-based experience but a hospitality-based experience. What really binds people to a product is the quality and consistency of service. If we can be as good on the ground as our airlines are in the air then I think we have done our job.

Competition in the future won't be purely about price, it will be about value and we want to provide the best possible, seamless service on the ground in a high quality, clean and efficient infrastructure with a huge amount of personal customization. If people think, "I really enjoyed my flight with Emirates, and I really enjoyed going through DXB" then they won't even think of going through Istanbul or Doha because it's not a patch on the experience of DXB.

A bad airport experience taints your whole product impression from start to finish.

So how is the passenger experience at airports changing?

The transformation from infrastructure operator to hospitality provider is something that we need to quicken. The idea is to continue to evolve new forms of entertainment so that people can have pure discretion as to how they spend their time here. If they want to sit and watch a film on their phone or go to a small, drop-in cinema or personalize a chocolate box for their kids then all those options need to be available.

Dubai has also developed its own personality, which we are able to adopt. When people arrive at an airport, they will still want to see some core brands—the golden arches are by far our most productive franchise restaurant. But I believe the idea of modern, Arabian hospitality has a place in

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the world today. People are starting to respect that Dubai is on the map, we are a global player in terms of our kudos and capability. There are unique experiences that we can create that you will only see at DXB and we are doing research now into what those could be, whether it's global product launches or the latest Aston Martin being assembled in the middle of the concourse.

Also, the idea of airport shopping is going to change. The whole retail relationship with the consumer has changed over the last two years. You just order online and it's here the next day. Airport shopping will be more about the product experience than it will be about the purchasing and logistical fulfillment. So, you may go and see something and trial it then you can fulfill and get it delivered anywhere you want. For example, the idea of buying bottles of wine then carrying them with you for the entire journey—why not just buy them and have them delivered to you on arrival at your destination?

Sustainability is an issue at the forefront of consumer minds. What does that mean for aviation?

It's probably the biggest, single strategic challenge we face now. The world has become much more aware of the impact on the environment—we all saw the images of kangaroos on the streets of Sydney and satellite photos of China without any pollution. They made a very big impression on people. But it's also a generational thing; you talk to people born in the millennial age and they are not bothered about a fast car because they are users of services and not owners of infrastructure.

We are seeing decarbonization in personal transport and the huge benefits that it has for all of us. We won't be building more roads because we will be using the existing network more efficiently, driverless cars, electric vehicles, et cetera.

The very big difficulty with aviation is that it's very hard to decarbonize any form of transport where you have to rely on taking your fuel source with you, and hydrocarbons are incredibly energy dense and very efficient.

The interim solution is looking at what form of alternative clean energy we have that we could slot into existing technology. Sustainable aviation fuel is much talked about but there are difficulties. The amount of jet fuel we pump into planes every year is a huge number, so what we need to find out is whether there is a way of getting sustainable aviation fuel into the existing supply chain cheaply and efficiently to bring the carbon footprint of aviation down. The concept is that you embed carbon that



you take from elsewhere into the fuel then when you burn it you are back to where you were, which is sort of half the problem solved; but it would be much better to be a completely clean source of energy. However, hydrogen-powered planes and other alternative forms of sustainable aviation are still a bit of a way off.

Will travel be the same post-pandemic?

The perception is that COVID is receding as a threat so recovery will be pretty quick. However, what's interesting is the profile of passengers. There's hardly anyone over 45 traveling at the moment; most travelers are single and predominantly male. I imagine they have been least affected by the pandemic so their travel habits are more resilient. Older travelers tend to be more risk-averse but now I think we will see the recovery in that sector come back as well and we expect the surge in the recovery of bookings to

Above, a seating area at Terminal 3 offers activities and playful decor with comfortable tables and seating. Top, Smart Gates at Terminal 1 help eliminate the long passenger queues typically found at large airports.

continue to be very, very dramatic as we get toward the summer.

There are, though, other things that are different pre- and post-pandemic.

Firstly, you don't miss anything as much as when you can't get it, so the thirst for travel is probably greater than it has ever been before. When you've had half the world's population on some form of lockdown for two years the things that people have missed are those personal connections and the ability to travel. Travel broadens the mind, it creates social connections that we can't get through video conferencing. In the future, leisure travel will be as much an aspirational commodity as it was before.

I do, though, think the long-term prognosis for first class is not looking good. Those that were on the cusp of using a private jet have done so as, through COVID, it gave them freedom, and once you have freedom you don't want to give it back. In fact, we've seen a 400% increase in the rate of movement in private aviation. Simulators are running 24/7 at the moment to train pilots on private jets. The demand is explosive. Meanwhile, I think others who previously were able to afford first class will look for more cost-effective ways of traveling.

What about video calls, do they spell the end of business travel as we knew it?

The one thing about the application of technology that people always tend to get wrong is the prediction of what it will mean to you when the technology is applied. Nuclear power in the 1960s was supposed to mean abundant energy for everyone and the computer and fax machines were going to free us up to spend five days a week on the golf course.

Technology has changed the pace at which we go about our lives and I believe that video conferencing will intensify the pace of business. It will enable us to do more business activity, close more deals and forge more business relationships, so we may travel much less as a proportion of every business deal but there will be more deals, which means we might end up back where we started.

Of course, finance directors across the world will be looking at travel budgets and weighing a return flight to Stockholm, two nights in a hotel plus all the other expenses versus a one-hour Zoom call at the office. So, you are going to have to have a pretty good justification for spending exponentially more money. ♦

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